

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on April 16, 2001 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Pete Ekegren (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Ken Toole (D)

Members Excused: Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Lynette Brown, Committee Secretary
David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action: SR 7

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HEARING ON SR 7

Sponsor: SEN. EVE FRANKLIN, SD 21, Great Falls

Proponents: Margie Thompson, Montana University Systems
Dick Crofts, Comm. Of Higher Education

Mick Robinson, former chief of staff for Gov. Racicot
Eric Feaver, MEA-AFT

Opponents: None

Opening Statement:

SEN. DON HARGROVE, SD 16, Belgrade opened SR 7.

Mark Semmons, appointee for Board of Regents presented the committee with information on his background, education, and experience. He stated his goals and reasons why he was willing to serve on the Board of Regents. **EXHIBIT(sts85b01)**

Proponents' Testimony:

Margie Thompson, Board of Regents, told the committee **Mark Semmons** was a great communicator, good listener, honest, courteous, possessing impeccable integrity and credibility. She said the state would be well served by **Mark Semmons**. **Ms. Thompson** stated **Mr. Semmons** had financial expertise as was a very compassionate human being.

Dick Crofts, Commissioner of Higher Education, stated **Mark Semmons** was an independent thinker and researcher, thoughtful, and had high integrity and objectivity. He added **Mr. Semmons'** thoughtfulness and integrity were also reflected in his ability to change his mind when other evidence and viewpoints were brought forward. **Mr. Crofts** said, more importantly, **Mr. Semmons** had the ability to help the University System to better understand the nature of the regional economy and the things they need to do to ensure Montana could share in the development of the economy in a better way. He added **Mr. Semmons** was a dedicated servant of the state.

Mick Robinson, former chief of staff for Governor Racicot, told the committee he had been working for **Governor Racicot** during the time **Mark Semmons** was appointed to the Board of Regents and was involved in that decision making process. **Mr. Robinson** shared that **Governor Racicot** had indicated he wanted someone who would be very thoughtful, very objective, and an independent thinker. He said they had also wanted someone that had a very strong financial background because they felt the financial aspect was an area that needed to be filled. He said they also wanted someone that supported higher education. **Mark Semmons** fit all of those requirements very well. He said it was **Mr. Semmons** conviction that more needed to be done for higher education.

Eric Feaver, MEA-AFT, rose in full support of **Mark Semmons**. He said **Mr. Semmons** was a great man and it was a great opportunity for the state to be able to use his services.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. PETE EKEGREN suggested to **Commissioner Dick Crofts** that members of the Board of Regents come to the legislature for a few days each session to give the legislators an opportunity to meet them.

SEN. EKEGREN asked **Mark Semmons** what his goals were. **Mr. Semmons** responded (1) to do everything they could to make the University System the best it could be, (2) to ensure there were stated goals in the University System, (3) to ensure provide Montanans an affordable, accessible, quality higher education experience, and personally that the Montana University System could play a meaningful role in the state's economy.

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SEN. JOHN BOHLINGER asked **Mark Semmons** about the length between investment and education and the expansion of our economy. He asked **Mr. Semmons** to speak on the return on investments. **Mr. Semmons** responded two important aspects for businesses to consider for making the decision of where to locate were (1) access to a trained, educated work force and (2) and availability of high quality, research institutions. He added it was important to make the investment first and to remember the return on the investment would take some time; the biggest return would not come the next year. **Mr. Semmons** explained there was (1) a direct return, (2) an indirect return, which would include the businesses in the state benefitting from University System research facilities, personnel and graduates, and (3) the business environment return.

SEN. ED BUTCHER asked **Mark Semmons** how to reach goals with limited resources. **Mr. Semmons** replied there were three ways: (1) technology, (2) investment in programs, researchers and instructors involved in growth areas of our economy and (3) proactively identify areas of need and serve those needs.

SEN. BUTCHER asked **Mark Semmons** how to address buildings that were in great need of repair. **Mr. Semmons** responded the majority of new buildings in the Montana University System had been funded by private dollars. He said the Board of Regents needed to communicate with the legislators and public to ensure there was

not a misunderstanding about the sources of funding for new buildings. **Mr. Semmons** added the problem of repairs needed for old buildings would not be readily be solved without the addition of more money.

SEN. BUTCHER asked **Mark Semmons** if he was considering possibly decreasing duplication of programs within the system. **Mr. Semmons** answered any new programs were closely scrutinized for financial soundness.

SEN. KEN TOOLE asked **Mark Semmons** to comment on academic freedom. **Mr. Semmons** replied his background was more in business finance. He said he had observed, however, that the academic freedom was respected; there was a reality of resource constraints, however.

SEN. TOOLE asked **Mark Semmons** how important academic freedom was to a University System. **Mr. Semmons** stressed it was important.

SEN. JIM ELLIOTT asked **Mark Semmons** what the role of the University System was in the state. **Mr. Semmons** responded there was a limited of full value if you only looked at what Montana would get back if the legislature funded it well.

SEN. ELLIOTT asked **Mark Semmons** if the six mills allowed was the same or had they been replaced by legislative appropriations. **Mr. Semmons** replied the current situation was with the six mill levy, their loss would be \$5-\$6 million in the upcoming biennium as a result of diminished property tax base included.

SEN. ELLIOTT told **Mark Semmons** he was concerned about the price of tuition in regards to the students. He asked **Mr. Semmons** at what point the burden of tuition became burdensome to the student. **Mr. Semmons** replied a true answer would require an analysis, but the general concern was valid.

SEN. ELLIOTT asked **Mark Semmons** if there was a point of diminishing returns to the state as tuition rises. **Mr. Semmons** responded that was possible.

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SEN. HARGROVE told **Mark Semmons** he was concerned about accountability of the Board of Regents since they were appointed by the Governor; since they were not an elected official, they could not be fired. **SEN. HARGROVE** asked **Mr. Semmons** how he saw the Board of Regents being accountable to the people of Montana. **Mr. Semmons** answered the legislature appropriated a lump sum with the Board of Regents being responsible for funding other sources

through fees and tuition. He added there needed to be close interaction and shared responsibility to make things work. He agreed with the need for accountability. **Mr. Semmons** added in terms of accountability in the University System, improvements in communication were needed.

SEN. HARGROVE asked **Mark Semmons** what it meant to be appointed as an independent politically. **Mr. Semmons** responded he didn't know. **SEN. HARGROVE** stated statutory requirements for the Board of Regents was to be one of four areas in the state and no more than four of the seven members could be from the same political party. **Mr. Semmons** replied he was a moderate. He felt it was important to focus on the qualifications of the individual instead of political party.

SEN. BUTCHER told **Mark Semmons** he was concerned about students not interested in learning when there were limited resources available. **Mr. Semmons** answered attention needed to be given to advising students and proficiency requirements.

SEN. ELLIOTT stated the more prestigious the University System was academically, the less problem there would be with non-interested freshmen, which would be more reason to spend more money on education. **Mr. Semmons** responded good students and families were looking for good colleges and universities.

SEN. EVE FRANKLIN, SD 21, said she struggled with excellence versus mediocracy. She said it was important to focus on the area of excellence and encouraged the Board of Regents to focus on excellence.

Mark Semmons said the investment needed to be made first, then you would get the maximum return. He told the committee he was committed to making our colleges and universities the best they could be and had the business experience and skills to be helpful in the critical decisions ahead.

ADJOURNMENT

Adjournment: 4:30 P.M.

SEN. DON HARGROVE, Chairman

LYNETTE BROWN, Secretary

DH/LB